

Graeme Charles on Co-operation in The Devondaler



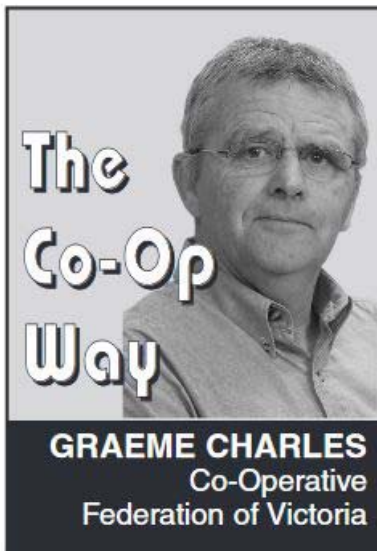
Graeme Charles was the Executive Officer and Secretary of the Co-operative Federation of Victoria Ltd between 1999 and 2002 and Deputy Chairman between 2002 and 2008 – the peak body for co-operatives in the Australian State of Victoria.

Between 2006 and 2008 Graeme Charles was a guest columnist for The Devondaler – the monthly newspaper of Murray Goulburn Co-operative Co. Limited. The Devondaler was established in 1986.

The Co-operative is one of Australia's largest with 2200 dairy farmer members and more than 2000 employees.

Twenty of these columns have been reproduced.

Does Co-operation Improve Profitability for Farmers?



In a vast range of ways farmers can improve profitability through co-operation. They can share machinery and labour to reduce costs and maximize efficiency. They can share investment in buildings and facilities to reduce unit costs. They can pool their negotiating power to both buy and sell. They can remove intermediaries in the chain. They can invest in food processing and manufacturing. They can decide to sell direct to consumers. There are so many ways that co-operation can add to profitability that it really is a no-brainer.

Some would argue that other forms of business enterprise can produce similar results – why therefore is co-operative enterprise different? Farmers the world over, decide to adopt a co-operative form of business for very specific reasons that are consistent with co-operative principles.

First, and most importantly, their purpose in working together is to maximize the financial advantages for individual members, and not to create a joint business that generates and retains profit margin at their expense. Second, they want to work together in a way that is fair and equitable amongst members, in terms of control, investment, and share of benefits generated. **Finally, they want reassurance that the business has a long term perspective, and that the purpose cannot be diverted and changed without their full participation in decision-making.**

How can we measure the performance of agricultural co-operatives? The most fundamental measure surely, is the value to the member's farm business. Some co-operatives are very focused on this measure, and have found good 'yardsticks' against which to assess what the co-op has delivered to members, in comparison to what was available to farmers working as individuals. But there are other important measures, such as the financial health and sustainability of the co-op, and its capacity to invest, its market share and its growth trend. Perhaps less recognized is the co-op's contribution to the rural communities of which it is a part, providing employment and investment that might otherwise not exist. Carbon management could be another measure. Co-operation amongst farmers and in rural communities has an immense contribution to make to reducing greenhouse gas emissions and to generating fuels and energy from renewable sources.

To sum up, farmers have always suffered because of their position of weakness in the market when they are unorganised. They are the equivalent of David and Goliath, and co-operation is the only way to

create some degree of balance and fairness as demonstrated above. Co-operation provides the only way for family farmers to find counter-balance and retain their independence.

3 June 2008



List of Graeme Charles articles published between 2006 - 2008

Title	Date on Article or File – not when published	Identification Number
Why do you belong to Murray Goulburn Co-operative Company	1 September 2006	1
The importance of co-operatives in agriculture across the world.	2 October 2006	2
What Gives Co-operatives A Bad Name	21 November 2006	3
Murray Goulburn one of only two Australian co-operatives in the ICA Global 300	No date	4
UK Co-operative College and Co-operative Federation of Victoria helping Murray Goulburn members co-operative identity	!! December 2006	6
Review of The Democracy Principle: Farmer Co-operatives in Twentieth Century Australia by David Griffiths	12 February 2007	7
Particular Challenges for Co-operatives – Funding Expansion	12 February 2007	8
Particular Challenges for Co-operatives Part 2 Effective Democracy, or to put it another way, Members In Control	12 February 2007	9
Why are we ignoring co-operative solutions?	10 March 2007	10
A Co-operative AWB	29 March 2007	11
Could health co-operatives help solve the shortage of doctors in rural areas?	1 May 2007	12
Co-operative Demutualisation: the International Co-operative Alliance Response	6 August 2007	13
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Co-operatives creating value for farmers and rural communities	4 November 2007	No number
Dairy Co-operatives in India	12 November 2007	16
Cooperatives get together in New Zealand to discuss the Co-operative Advantage of Dairy Business	21 November 2007	17
Retaining Co-operative Characteristics and Globalisation	25 January 2008	18
Agricultural Co-operatives are Financially Competitive	7 February 2008	19
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